

Message Text

UNCLASSIFIED

PAGE 01 ANKARA 07838 201411Z

42

ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-07 EA-09 FEAE-00 INT-05

TRSE-00 OMB-01 CIEP-02 CIAE-00 INR-07 NSAE-00 USIA-15

L-03 /066 W

----- 050780

R 201250Z OCT 75

FM AMEMBASSY ANKARA

TO SECSTATE WASHDC 1089

USDOC WASHDC

INFO AMCONSUL ISTANBUL

UNCLAS ANKARA 7838

E.O. 11652: N/A

TAGS: BTIO, BEXP, TU

SUBJ: WESTINGHOUSE-EXIM BANK: SALE OF TURBO-GENERATORS FOR
SOMA, BEYPAZARI AND YATAGAN THERMAL POWER PLANTS-TURKEY

REF: ANKARA 7513

1. WESTINGHOUSE IS ONLY U.S. FIRM PARTICIPATING IN TEK TENDER FOR 2 X 150 MW TURBINE GENERATORS FOR EACH THERMAL POWER PLANT AT SOMA, BEYPAZARI AND YATAGAN. BIDS OPENED OCTOBER 14 REVEAL WESTINGHOUSE BID OF APPROX. \$45 MILLION FOR EACH SITE COMPETITIVE WITH EUROPEAN COMPETITORS BUT NOT WITH JAPANESE THREE BIDDERS WHOSE PRICES RANGE FROM \$35 MILLION BID BY MITSUI GROUP AND C. ITOH COMPANY GROUP TO APPROX. \$27 MILLION BY MITSUBISHI.

2. U.S. REP FROM WESTINGHOUSE FEELS MITSUBISHI BID, IF COMPLETELY RESPONSIVE, MUST BE HEAVILY GOVERNMENT SUBSIDIZED. NO BIDDER GAVE FIRM FINANCING OFFER BUT HITACHI SUGGESTED POSSIBILITY OF 15 PERCENT CASH WITH BALANCE 10 YEARS AT 7.5 PERCENT (AS OF POSSIBLE INTEREST-A.M.N. ANSALDO ITALY MENTIONED CREDIT TERMS OF 10 PERCENT DOWN, 10 PERCENT ON DELIVERY, BALANCE 10 YEARS AT 4 PERCENT.)

3. WESTINGHOUSE REP DOES NOT RPT NOT FEEL THAT WESTINGHOUSE IS UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ANKARA 07838 201411Z

OUT OF RUMMING YET UNTIL TECHNICAL ASSESSMENT IS COMPLETED AND

FINANCING ARRANGEMENTS FIXED. TECHNICAL ASSESSMENT MAY SHOW THAT JAPANESE FIRMS ARE NOT RESPONSIVE TO TOTAL SCOPE OF PROJECT. ALSO ALTHOUGH JAPANESE ARE LOW BIDDERS, IT IS POSSIBLE THAT FINANCING NEEDS OF ALL SIX UNITS MAY NOT BE AVAILABLE FROM JAPAN.

4. WESTINGHOUSE WISHED TO BE IN POSITION TO OFFER FIRM COMPETITIVE FINANCING IN FORM OF PRELIMINARY COMMITMENT FROM EXIM BANK. WESTINGHOUSE FEELS IT MAY THEN BE ABLE TO CONVINCE TEK TO SPREAD FINANCING AROUND BY CONTRACTING SUPPLIERS OTHER THAN JAPAN FOR ONE OR TWO OF THE THREE SITES. U.S. FIRM MUST BE PREPARED TO OFFER CREDIT TO STAY IN THE RUNNING.

5. MORE RECENTLY IT HAS BEEN REPORTED THAT TEK MAY NEGOTIATE ONE OF PROPOSED SITES ON TURNKEY BASIS WITH TWO EASTERN EUROPEAN COUNTRIES AND TWO JAPANESE FIRMS. EMBASSY TOLD THAT WESTINGHOUSE AND TWO OR THREE EUROPEAN FIRMS THEREUPON ALSO OFFERED TO NEGOTIATE TURNKEY BASIS. IN ANY EVENT FINANCING REMAINS KEY TO SUCCESSFUL NEGOTIATION OF THIS PROJECT.

6. EMBASSY AGAIN SUPPORTS WESTINGHOUSE APPLICATION FOR EXIM BANK PRELIMINARY COMMITMENT AND WOULD APPRECIATE EXIM BJSK EXPRESSION OF SUPPORT THAT EMBASSY MAY GIVE TO MINISTRY OF FINANCE AND TEK.
MACOMBER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 20 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ANKARA07838
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750363-0866
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751039/aaaabijv.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 ANKARA 7513
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 02 OCT 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 OCT 2003 by MaustMC>; APPROVED <18 FEB 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: WESTINGHOUSE-EXIM BANK: SALE OF TURBO-GENERATORS FOR SOMA, BEYPAZARI AND YATAGAN THERMAL POWER PLANTS-TURKEY
TAGS: BTIO, BEXP, TU
To: STATE COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006